

ASK JIM DONELON

YOUR COMMISSIONER OF INSURANCE

About getting flood insurance for an older car

Q: After all the flooding caused by Katrina and Rita, I'm thinking about buying flood insurance for my car. Can I do that, even if it is an older car?

A: The only insurance you are required to carry is a liability policy to cover bodily injury and property damage to other people and their property. To help you decide whether to carry flood insurance (comprehensive) coverage, let's look at the protection you would get for your money.

Comprehensive insurance covers a wide range of damages that may occur through no fault of yours, including fire, theft, malicious mischief, vandalism, glass breakage and flooding. Notice that some of those losses can be quite costly regardless of the age of the vehicle. Replacing a windshield to pass a safety inspection is a notable example. Deductibles range from zero to \$250. The higher the deductible, the lower the premium. If, for example, your vehicle is stolen and wrecked, under a \$250 comprehensive deductible, you pay the first \$250 and the policy would pay the rest, up to the insured value of the vehicle.

OVER

Specific factors you will want to consider before making a decision about buying this comprehensive coverage are the cost of coverage and the insured value of the vehicle. Talk with the agent (producer) who has the liability insurance on that vehicle to learn how much comprehensive coverage would cost and how much the insurance company can be expected to pay if the insured vehicle is damaged or destroyed.

You will also want to take into consideration the possibility that, as a second vehicle, this one may very likely be left behind if there is a major flood event that causes you to have to evacuate quickly.

If you decide to add comprehensive to the liability policy on this or any other older vehicle, do the math periodically on the comprehensive coverage just as you would on the more expensive collision coverage. When the price is right, policyholders often keep comprehensive on a vehicle as it ages because it is relatively inexpensive.



Louisiana Department of Insurance
Jim Donelon, Commissioner

Phone toll-free: 1-800-259-5300
Web site: www.lds.state.la.us